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THE INFLUENCE OF CURRENT RATIO, DEBT TO EQUITY RATIO, AND TOTAL ASSET TURNOVER RETURN ON ASSETS AGAINST ON THESE FOODS AND BEVERAGES THAT ARE LISTED IN THE INDONESIA STOCK EXCHANGE PERIOD 2013-2017

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Abstract

The purpose of this research was to know the influence of the Current Ratio, Debt To Equity Ratio, and Total Asset Turnover Return On Assets against at food and beverage companies were listed on the Indonesia stock exchange. The approach used in this study is the associative approach, the data type used is the quantitative data, data analysis techniques used multiple linear regression techniques, test hypothesis and koefisiensi determination.

The results of testing done on a partial Current Ratio Return On Assets acquired against thitung 1.946 whereas ttabel of the significance and value of 0.061 2.035 > 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there is no influence significant. The results of testing done on a partial Debt To Equity Ratio Return On Assets acquired against thitung-3.774 while ttabel of the significance and value of 0.001 2.035 < 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there are influences significant. The results of testing done on a partial Total Assets Turnover Return On Assets acquired against thitung 0.692 while ttabel of the significance and value of 2.035 0.494 > 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there is no influence significant and simultaneous influence of test results between the Current Ratio, Debt To Equity Ratio, and Total Asset Turnover Return On Assets acquired against thitung 14.968 > 2.91 and significant value of 0.000 where smaller than 0.05 of the results can be In conclusion that H₀ and H_a was rejected, accepted the conclusion that Current ToEquity Ratio, Debt Ratio, and Total Asset Turnover have significant influence towards the Return On Assets.

Keywords: *Current Ratio, Debt To Equity Ratio, Total Asset Turnover and Return On Assets*



A. Introduction

In the era of the development of the current free market entrepreneurs Indonesia no longer had to compete with employers in the State, but faced a more pluralist competition again. The condition to trigger the competition took part the industrial sector. A company generally established to obtain the maximum profit in order for the survival of a company can be maintained and well developed, in the achievement of the goal of good company management as well as the leadership of the company is often dihadapkan with a variety of problems, both of which are technical, administrative or financial. Therefore, the management company must take the decision determining a clear picture about the problems facing the company.

Many factors that affect the fluctuation of Return on Assets in an enterprise, including the factors that originate from inside (internal) or outside (external). Internal factors that affect the fluctuation of Return On Assets is the company's performance, level of risk, and corporate action. While external factors the company is domestic and global state of the economy, exchange rates, and the country's political condition bersangkut. Basically, if a company increases the amount of debt as a source of funds it can increase financial risk. If the company is not able to manage the funds obtained from debt are productive, it can negatively effect and badly declining profitability of the company. Conversely, if the debt can be managed properly and used for productive investment projects, it may provide a positive impact and affect the improvement of the profitability of the company.

According to Cashmere (2013, p. 134) "Current Ratio (current ratio) is the ratio of the company's ability to measure in the short term obligations or pay debts immediately due upon billed in its entirety. In other words, how much of the available current assets untuk emutupi short-term liabilities, which are immediately due. For the company, liquid is a very important issue because it represents the company's interests in dealing with the other party, the party intern or an external call party ".

This ratio is related to the issue of the company's ability to meet financial obligations that must be met. The amount of payment tools (tool liquid) owned by a company at a time is the power to pay the company in



question. A corporation that has the power of pay isn't necessarily able to meet all financial obligations that are soon to be fulfilled or otherwise the company would not necessarily have the ability to pay. To find out the extent to which the company can maintain the level of liquidity, then the analysis of the liquidity ratios can be used. By using this analysis companies can make improvements against the level of liquidity for the foreseeable future in the company of almost or is in a State of liquid.

B. Methods

In this study uses the associative approach, which is the asosiasi approach approach which aims at knowing the relationships between variables in the study. The variables used in this approach, namely: (1) liquidity ratio; Current Ratio, (2); leverage ratio Debt to Equity Ratio, (3) the ratio of the activity; Total Asset Turnover which is independent variables, and (4) Return On Assets as the dependent variable.

C. Research Finding

The results of testing done on a partial Current Ratio Return On Assets acquired against thitung 1.946 whereas ttabel of the significance and value of 0.061 2.035 > 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there is no influence significant Current Ratio against the Return On Assets. The results of testing done on a partial Debt To Equity Ratio Return On Assets acquired against thitung-3.774 while ttabel of the significance and value of 0.001 2.035 < 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there are influences significant Debt To Equity Ratio against the Return On Assets, the results of testing done on a partial Total Assets Turnover Return On Assets acquired against thitung 0.692 while ttabel of the significance and value of 2.035 0.494 > 0.05 means that H₀ is accepted and H_a was rejected, this indicates that there is no significant influence on the Total Asset Turnover Return On Assets and against the test results simultaneously influence among the Current Ratio, Debt To Equity Ratio, and Total Asset Turnover Return On Assets against 14.968 > gained 2.91 and significant value of 0.000 where smaller than 0.05 of the results can be conclude that H₀ and H_a was rejected, accepted his



conclusion that the Current Ratio, Debt To Equity Ratio, and Total Asset Turnover have influence significantly to the Return On Assets.

D. Discussion

1. The influence of Current Ratio against the Return On Assets

Current Ratio is a comparison between current assets and current liabilities and is the most commonly used measure to know the ability of a company meet short-term obligations. Current Ratio indicates the extent to which current assets cover the obligations. The larger the comparison of current assets than current liabilities the company's capabilities cover higher short-term obligations. Munawir (2007) declared Current Ratio 200% sometimes been satisfactory for the company, but the amount of working capital and the magnitude of the ratio depends on several factors, a standard or a common ratio cannot be determined for the whole company. Sunyoto (2013) stated that when the level of a high ratio indicates better guarantees over the short-term debts, but if too high resulting in a working capital is not efficient. According to Bringham and Houston (2010, p. 135) if current liabilities have risen faster than assets, current ratio would be menuru, and it is an indication of the existence of the problem. But if the assets of an enterprise in a smooth conversion into cash within a year, the chances of the company's assets can be liquidated to approach the value of her book. However, if a company is far below the industry average of rat, then the analysis should have been thinking about the causes of this discrepancy can occur. According to the results of the research Qahfi Romula Siregar and Hade Chandra Coal regarding the influence of Current Ratio on the company's profit growth against textile garment & listed on the Indonesia stock exchange, test the hypothesis partially shows the Current Ratio has no effect against significant profit growth with increasing positive relationship direction Current Ratio then followed by rising corporate profit growth's textile garment which & terdafdar Indonesia stock exchange in the period 2010-2014.

2. The influence of the Debt to Equity Ratio terhadap Return On Asset

Debt to Equity Ratio or ratio of debt capital on its own. This ratio illustrates the extent to which capital owners cover the debts to outside



parties. so the company can already use secar well and mneguntungkan is the capital of the loan. Debt to Equity Ratio is a ratio used to calculate the debt and capital, which can cover debts to outside parties (Harahap, 2013). Based on the results of research conducted by Julita performed on ten transportation companies listed on the Indonesia stock exchange period 2008-2011, then it can be inferred that the Debt to Equity Ratio no terhdapa influence on the profitability of .

3. The influence of Total Assets Return on Assets against Tunrover.

Total Asset Turnover is the ratio that will show how the number of sales generated from every rupiah assets (Cashmere,2012:185). This ratio will illustrate how efficient the company uses assets owned in the company's activities. The higher this ratio then shows the company has been able to maximize the assets of the company to increase sales. With a high level of sales is expected company capable of producing high earnings anyway. Based on the results of research conducted Jufrizen obtained the conclusion that there are partially positive influence significantly the Total Asset Turnover against the Debt to Asset Ratio. With increasing Total Asset Turnover then followed with increasing Debt to Asset Ratio at the Trade Sector Sub services company Of Production were listed on the Indonesia stock exchange on a 95% satisfaction rate. And also on the results of research conducted by Romula Qahfi Siregar and Hade Chandra Coal partially shows Total Assets Turnover has no effect against significant profit growth at the company's textile garment & listed on stock exchange The effect of Indonesia 2010-2014 period. Negative relationship with arar shows decrease in Total Asset Turnover then followed with rising profit growth. This occurs because companies do not effectively play a total of its assets. Because the company is in the production of high activity then followed high operating expenses was also incurred the company to generate sales.

4. The influence of Current Ratio, Debt to Equity Ratio, and Total Assets Return On Assets against Tunrover.

Current Ratio and Debt to Equity Ratio is a financial ratio that measures the rate of return on corporate profits through the company's



debt. Current Ratio calculation the amount of focus on cash earned the top overall operating current assets that are illiquid in the company while the Debt to Equity Ratio to focus on his own payback of debts or loans owned by the company. According to Sitanggang (2012, p. 22) measurements over short term obligations have failed ability (liquidity) must be cautiously right starting from pessimistik up to optimistik seen from the amount of time the availability of the funds necessary to pay for cash the short term. According to Rambe (2015, p. 50) Understanding Current Ratio has two dimensions, namely time dimension, meaning how fast an assets could be cash and certainty of dimensions, i.e. How sure the value of the assets at the time into cash, also have levels a lower certainty in neutralizing its value when compared to accounts receivable. According to Syahyunan (2013, p. 92) Leverage Ratio digunnakan to know the ability of companies in paying off the rest off her debts or in other words, this ratio can also be used to find out how the company fund its business activities whether more use of debt or equity. It is the ratio of the two tools used by potential investors in assessing the company's performance in stock investing. The performance of the Current Ratio and Debt to Equity Ratio of the company is a fundamental factor that affect the profits of the company in achieving the desired profit. So there is a clear relationship i.e., Current Ratio and Debt to Equity ratio against the Return On Assets. Based on the research that has been done by Romula Qahfi Siregar and Hade Chandra Coal results shows that the variable Current Ratio, Debt to Asset Ratio, Total Asset Turnover and Net Profit Margin together there is the effect on the profit growth at the company's textile garment & were listed on the Indonesia stock exchange. This indicates the higher the Current Ratio the easy company to pay off short-term obligations so it will be easier the company gained profit. Similarly, the higher the Debt to Asset Ratio then the lower the growth rate of the company's profits because the profits obtained by the company are used for the payment of the whole of the company's debts, so instead the lower the total Debt as a the company will be the easier the company increase profit growth because of the process of repayment of liabilities. The higher the turnover of assets of the company, then the better the company leverages its assets so that companies can increase earnings. Conversely, the lower the turnover of assets of the company, the more ineffective the



company leverages its assets so the company will have difficulty in raising the earnings, profit in this sale. And the higher the level of the Net Profit Margin of the company showed the higher level of profit the company generated sales of the company.

E. Conclusion

1. Based on the research that the author made above about the influence between Current Ratio against the Return On Assets on food and beverage companies were listed on the Indonesia stock exchange period in 2013-2017, States that based on the results a test done on a partial Current Ratio Return On Assets acquired against thitung 1.946 whereas ttabel of the significance and value of 0.061 $2.035 > 0.05$ means that H_0 is accepted and H_a was rejected. This shows that there is no significant influence on Current Ratio against the Return On Assets on food and beverage companies that are listed on the food and beverage companies that are listed on the Indonesia stock exchange period in 2013-2017.
2. Based on the results of testing done on a partial Debt To Equity Ratio Return On Assets acquired against thitung-3.774 while ttabel of the significance and value of 0.001 $2.035 < 0.05$ means that H_0 is accepted and H_a was rejected. This shows that there is a significant influence of the Debt To Equity Ratio against the Return On Assets on food and beverage companies that are listed on the Indonesia stock exchange period in 2013-2017.
3. Based on the results of testing done on a partial Total Assets Turnover Return On Assets acquired against thitung 0.692 while ttabel of the significance and value of 0.494 $2.035 > 0.05$ means that H_0 is accepted and H_a was rejected. This shows that there is no significant influence on the Total Asset Turnover Return On Assets against at food and beverage companies that are listed on the Indonesia stock exchange period in 2013-2017.
4. Based on the results of testing simultaneously influence among the Current Ratio, Debt To Equity Ratio and Total Asset Turnover Return On Assets acquired against 14.968 > 2.91 and significant value of 0.000 where smaller than 0.05 of the results can be In



conclusion that Ho and Ha was rejected, accepted the conclusion that Current ToEquity Ratio, Debt Ratio, and Total Asset Turnover have significant influence towards the Return On Assets on food and beverage companies were listed on the Indonesia stock exchange the period of 2013-2017.

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